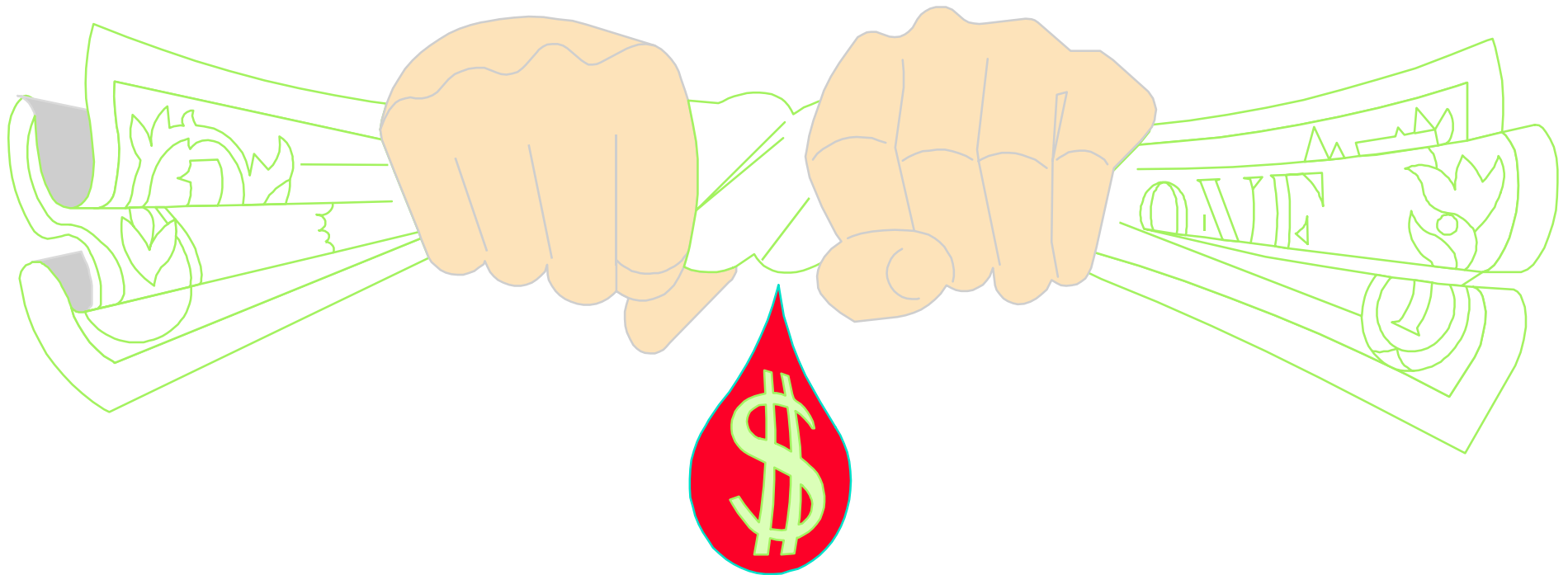# Reducing Total Ownership Cost of Naval Forces



## Department of the Navy TOC Plan

### 11 May 1998

# Navy Approach

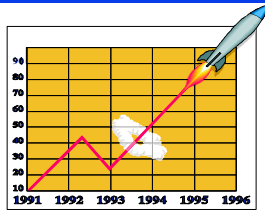◆ **Aggressive plan approved and in place**

◆ **Plan will cover all Navy programs regardless of ACAT or life cycle stage**

| | |
|---|---|
| – Generic Templates & Guidebook | **Development Complete** |
| – SAE Guidance Issued | **Complete** |
| – Train Commands | Apr/May 98 |
| – Feedback on Process/Templates | Apr/May 98 |
| – TOC Reduction Programs in place | ACAT I/II, Dec 98 |
| | ACAT III/IV,  Jun 99 |

# Process Roadmap



COLLECT DATA & BASELINE → IDENTIFY COST DRIVERS → DEVELOP INITIATIVES → TOC REDUCTION PLAN → METRICS & MONITOR

FLEET & OTHER STAKEHOLDERS

# The PM's Dilemma
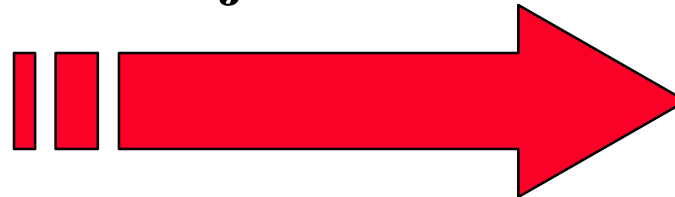
**Program Manager**



**Cradle to
Crave Cognizance**

**But little/no control
over major cost drivers**

**Major Shore Support
Activities**



**Manpower**



**Fleet Operations**

# Solution - Engage the Full Range of Players

No single entity has the full range of required data
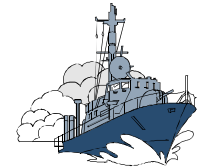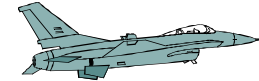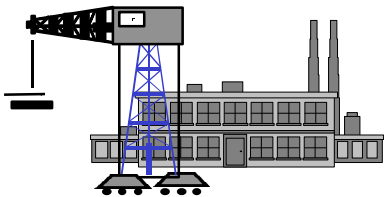
MR&A        OPNAV
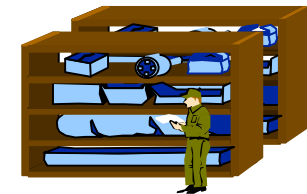
Comptroller        Training

PM / PEO
SYSCOM

Fleet /
Fleet Support Team

Depots

Subsystem /
Other Programs

NAVICP / Supply

# VAMOSC Status

- **VAMOSC improvements/modernization essential to TOC reduction efforts**
- **VAMOSC needs:**
  - Increased breadth - increase cost coverage from approx. 60% to 100% of TOC
    - » Particularly critical for ACAT III- IV programs
  - Increased depth - enhanced visibility of cost drivers and underlying cost detail
  - Integration with other Navy data sources
- **DoN has identified the scope of problem and is working to find funding sources for a proposed VAMOSC improvement plan**
  - Supports the development of accurate baselines and realistic/achievable cost reduction goals
  - Nonrecurring effort to identify, research and V&V data sources
  - Recurring effort to collect, process and V&V data

# Website

**Naval Sea Systems Command**

**NAVSEA 017 Cost Engineering & Industrial Analysis Division**

**URL: http://www.navsea.navy.mil/sea017/toc.htm**

» Templates and guidebooks reside here

» Complete access to generic info across DoD